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Country review report for Yemen*

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* The present report contains a summary of the findings of the review. The full text is available in the language of submission from the Executive Board secretariat.

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Introduction

1. The country review of the first country cooperation framework (CCF) for Yemen was held in February and March 2000 and included high-level consultative meetings. The findings for programme performance are grouped by priority areas, each presenting the conclusions, the corresponding recommendations and actions agreed on by UNDP and the Government.

I. The national context

2. Since 1997, Yemen has seen considerable progress towards implementing economic and institutional reforms, establishing democratic processes and significantly improving macroeconomic indicators. The number of persons living in poverty, however, is increasing. UNDP support remains focused on helping to address most key development issues highlighted in the national five-year development plan (1996-2000). UNDP is ready to play a key role in coordinating donor support for the development of the next five-year plan.

II. The country cooperation framework

Findings

3. The CCF, formulated and approved in 1997, introduced the Programme Approach of UNDP and fully implemented the national execution modality. These two mechanisms helped strengthen the programme formulation process by increasing Government units' sense of ownership and by providing a framework for an impressive degree of donor coordination and resource mobilization. Within CCF programmes, UNDP is joined in various capacities by the World Bank, the International Monetary Fund, the Netherlands, the United Kingdom, the Global Environment Facility and most major United Nations development agencies. During the review period, around $47 million of non-core resources were mobilized and combined with direct programme budgets and significant parallel financing.

4. The CCF focused on four based areas: management of natural resources, poverty eradication and employment generation, governance capacity and institutional reform and disaster management. The programmes under the CCF remain vital to development aspirations of Yemen. In the key areas of governance, poverty eradication, and natural resource management, the relevance of CCF activities is even greater today than when the CCF was being formulated.

5. The aim of UNDP in the management of natural resources has been to establish policy-setting, coordinating, cross-cutting regulatory bodies that deal with complex issues, such as environmental protection and water management, which are threatening the future development and quality of life in Yemen.

6. CCF support for poverty-reduction was mainly directed towards improving policy and poverty-related statistics and monitoring systems and labour policies and labour-market information systems, and towards promoting an appropriate enabling environment for expanding micro-enterprises and community-based area development schemes.

7. In the area of governance and institutional reform, UNDP has sought to enhance the efficiency of the Office of the Prime Minister and the cabinet to support administrative and civil-service reform, decentralization, and strategic and regional planning, to improve parliamentary procedures and to back the electoral process.

8. In disaster management, the CCF targeted the establishment of a national authority for disaster preparedness and management to coordinate the implementation of a national disaster relief and mitigation plan.

Recommendation

9. A CCF working-level group should be established that will include representatives from the Department of International Cooperation of the Ministry of Planning and Development, key programme and team leaders and UNDP programme teams. They will help ensure the smooth implementation of all programmes and address key bottlenecks affecting the timely completion of activities.

Agreed action

10. The Government and UNDP agree to create a working-level group under the direction of the Department of International Cooperation. This group will deal with practical management and informational issues that pertain to the entire CCF.

III. Programme performance

Findings

Strong technical results

11. The technical expertise of national technical staff, international advisers and consultants has proven invaluable. In the area of poverty alleviation and sustainable livelihoods, UNDP intervention has been instrumental in establishing a poverty information monitoring system (PIMS) and preparing a framework for a national action plan for poverty eradication (NAPPE). Together, they form an essential part of the second national development plan and the poverty reduction strategy paper (PRSP). The water resource management programme resulted in important accomplishments, such as the development of a national water resource strategy, an irrigation policy and a water resource management plan for a major city. It also sponsored training programmes for national capacity-building and helped to establish a hydrological monitoring system and databases. Crucial enabling laws in important areas, such as local administration and water resource management, are now finally in place. Information systems, including the national capacity to develop, utilize, and maintain them, are also in place in the key areas of water and land resources, biodiversity, civil service, and women's employment. Community development, social mobilization, and community-level enterprise development are successfully operating in the area of poverty eradication and natural-resource management. Revolving funds are being established to avoid decapitalization.

Partnerships

12. Partnerships between UNDP and other United Nations agencies are relatively strong. UNDP programmes attracted significant cooperation, cost-sharing, parallel financing from other United Nations agencies and multilateral and bilateral development agencies. The programmes have had considerable success in attracting cooperation and financial support. Thematic and working groups are active, especially in the areas of HIV/AIDS, gender issues and water resources. The harmonization of programming is almost complete among United Nations development agencies and the common country assessment (CCA)/United Nations Development Assistance Framework (UNDAF) process is under way.

13. The level, scope and variety of cooperation among development agencies under the CCF programmes are remarkable. In environment and water resources, UNDP receives external assistance from the Netherlands and works closely with the World Bank. It also benefits from programme participation by the Global Environment Facility (GEF), the Food and Agriculture Organization of the United Nations (FAO), the International Centre for Agricultural Research in the Dry Areas (ICARDA), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Environment Programme (UNEP) and the World Conservation Union (IUCN). The work on governance and institutional reform involves cooperation among UNDP, the International Monetary Fund (IMF) and British aid, as well as several international private organizations. The poverty programme directly utilizes United Nations agencies, such as FAO, the International Labour Organization (ILO) and Habitat as implementing agencies that provide technical assistance for community organization, small-enterprise development and urban planning. The United Nations Capital Development Fund (UNCDF) is the donor and executing agency for a low-cost housing subprogramme. UNDP works in parallel with the World Bank and IMF and other donors in helping the Government to develop its strategy for poverty eradication and its action plan.

Advocacy

14. Advocacy efforts are strong in the areas of gender mainstreaming and HIV/AIDS. The Government has now appointed gender focal points in all key ministries. The publication in 1999 of the national human development report has served as a strong tool for advocacy and policy dialogue.

Sustainability

15. National execution and the programme approach have put much of the overall responsibility and day-to-day subprogramme management in the hands of national institutions, national team leaders and programme coordinators and directors. Most activities either help the Government to establish enabling legislation, develop information systems and data necessary for planning and implementation, improve the technical and managerial capabilities of government agencies and empower communities to continue their own development and enterprise action. Government capacity for sustaining detailed programme management, monitoring and evaluation is likely to remain limited as a result of budgetary and human-resource constraints. UNDP financing of programme coordination units, however, does not contribute positively to long-term sustainability.

Recommendation

16. In light of these important results, no specific recommendations were made. The implementation of the recommendations outlined in part V, however, will tremendously contribute to better programme performance in terms of smooth implementation and timeliness of delivery.

Agreed action

17. No accord was reached for specific action in this section; those of the previous section and part V are directly relevant.

IV. UNDP support to the United Nations

Findings

18. The UNDP Resident Representative serves as the United Nations Resident Coordinator, in addition to functioning as Humanitarian Coordinator, United Nations Security Designated Official and representative of United Nations organizations that are unrepresented in Yemen. There is not a United Nations House in Sana'a. The UNDP building is shared by the World Food Programme (WFP). The United Nations Population Fund (UNFPA) has offices across the street. The decision several years ago not to set up a United Nations House was based on cost considerations. Security and the running of the dispensary are shared among all United Nations agencies and are important elements under current conditions. UNDP is providing a wide range of additional services, for example, facilitating government approvals of personnel, customs clearance, and so forth. Many agencies not represented in Yemen are nevertheless active and require UNDP assistance and representation. UNDP is planning on initiating the process of recovering such costs from the agencies under new United Nations regulations.

Recommendation

19. UNDP should give special attention to the recovery of costs incurred through the services and support extended by the UNDP office to other United Nations agencies.

Agreed action

20. UNDP will re-examine the issue of setting up a United Nations House from time to time in light of the changing real estate market and agency requirements. The country office also plans to initiate the process of recovering the costs of representing and providing services for other United Nations agencies.

V. Management

Findings

Programme approach

21. The introduction of the programme approach and the full-scale implementation of the national execution modality contributed positively to the formulation of the programmes, the development of an enhanced sense of government ownership, the mobilization of resources and the coordination of donor assistance. During implementation, however, the programme approach faced, and in many instances overcame, its share of understandable resistance — from those used to a more vertical approach to sectoral issues and to having more independence in the implementation of development assistance. In Yemen, CCF programmes did not get under way easily or quickly, as a result of their complexity — the number and variety of institutional players, the numerous procedures and institutional relationships that need to be worked out in detail and the unfamiliarity with the new approach.

National execution

22. It is difficult to implement national execution modalities for the first time in a least developed country with capacity constraints. After almost two years, the implementation of national execution modalities in Yemen is affected by factors such as lack of agreement and overall understanding of the concept of national execution and lack of clarity on the roles of various institutions, especially national execution programme-coordination units.

Resource mobilization

23. Government and UNDP mobilization of non-core resources for CCF programmes has been impressive. Continuing that level of resource mobilization in the future, however, will be challenging. The UNDP country office in Yemen has few assets in place to facilitate this effort. It lacks brochures to describe its programmes, a web site where information on UNDP and its programme in Yemen can be accessed, regular updated summaries of programme performance activities, a newsletter, information on similar programmes elsewhere in the Arab region, and so forth. The delay in government payment of cost-sharing funds to which it committed programme support documents (PSDs) has affected the implementation of the programmes. As this contribution is an integral part of programme budgets, this issue is beginning to put programme implementation at risk.

Recommendation

24. A comprehensive national execution stocktaking exercise should be performed. National execution stakeholders need to take stock of lessons learned in Yemen during these difficult two years of implementation and to take advantage of the national execution lessons learned elsewhere in the UNDP system. This process should be led and facilitated by an international consultant experienced in national execution management systems and issues. It includes revisiting and refreshing the understanding of the basic concepts of national execution and the roles and

responsibilities of all its key players. It means identifying and remedying bottlenecks in current procedures for payments, disbursements and reimbursements and reporting, formalizing, codifying, legalizing and disseminating the detailed requirements that pertain to all aspects of financial management, financial reporting, personnel management and procurement.

25. The Government and UNDP must resolve the issue of the non-availability of cost-sharing funds to CCF programmes, as stated in the budgets of PSDs. If not addressed, this issue will cause considerable delay in programme implementation, especially as programmes move into their final years. To the extent that such funds are not forthcoming and that UNDP programme funds have also been reduced, programme budgets and activities should be re-examined and scaled back if necessary.

26. The UNDP resource-mobilization strategy needs to be developed. It is important in that it provides a mechanism to motivate and to prepare all programme staff to contribute to the endeavour of resource mobilization. In Yemen, where there are so many opportunities and where the size of the UNDP operation and government plans depend on it, resource mobilization must be a high priority in the country office.

27. Programmes must carry out their scheduled evaluations this year. Only these in-depth evaluations can provide the appropriate technical assessment of programme progress, impact and sustainability, as a complement to the strategic assessment of this country programme review. A significant outcome of these evaluations is the assessment of the programme efforts to address issues of gender as they delay or enhance programme progress. These evaluations make it easier to assess the impact of specific programme accomplishments.

28. The planned recruitment and reorganization of the UNDP country office needs to be implemented in the areas of operations and strategic planning and a thorough review of country office functions should be performed to determine the optimal distribution of staff resources.

Agreed action

29. The Government and UNDP approved these management recommendations and agreed on a follow-up strategy to define who is responsible and in what time frame.

Annex

Financial summary

Country: Yemen
CCF period: 1997-2001
Period covered by the country review: 1997-1999

Regular resources	*Amount assigned for the CCF*	*Amount planned for the period under review*	*Estimated expenditure for the period under review*
	(Thousands of US dollars)		
Estimated IPF carry-over	10 347	10 347	10 347
TRAC 1.1.1 and TRAC 1.1.2 (67% of TRAC 1.1.1)	31 000	18 600	11 453
TRAC 1.1.3	1 986	500	267
Other resources	250	150	197
SPPD/STS	890	817	370
Subtotal	**44 473**	**30 414**	**22 633**

Other resources	*Amount targeted for the CCF*	*Amount mobilized for the period under review*	*Estimated expenditure for the period under review*
	(Thousands of US dollars)		
Government cost-sharing	3 570	1 878	1 836
Third-party cost-sharing	9 158	4 492	1 520
Sustainable development funds			
GEF	5 234	5 683	4 821
Funds, trust funds and other			
UNV		330	314
UNCDF	9 000	4 200	3 927
PSI		10	10
Subtotal	**26 962**	**16 593**	**12 428**
Grand total	**71 435**	**47 007**	**35 061**

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; PSI = poverty strategy initiative; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for research assignment from the core; UNCDF = United Nations Capital Development Fund; UNV = United Nations Volunteers